



Product Support Business Model - PM/PSM/PSI/PSP Responsibilities



Mr. John Boyce | Office of the Deputy Assistant Secretary of Defense
Materiel Readiness- Strategies and Plans Branch



PSM Spring Conference
05 June 2012



Product Support Business Model



“A model template for a weapon system support strategy that drives cost-effective performance and capability for the Warfighter across the weapon system life cycle and enables most advantageous use of an integrated defense industrial base”



Impetus For Change

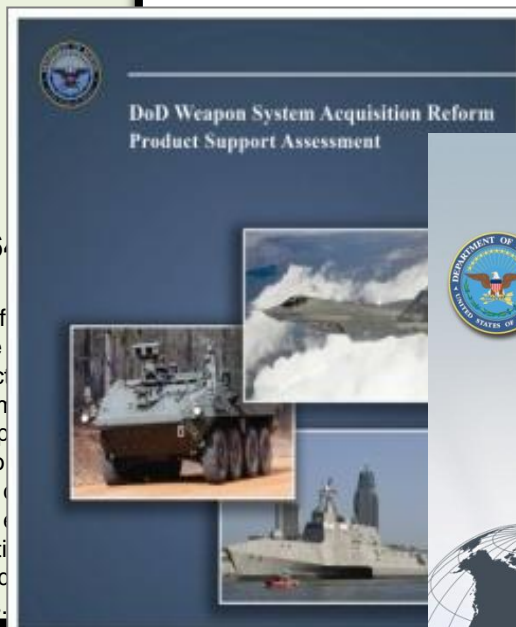


111TH CONGRESS 1ST SESSION H. R. 26 AN ACT

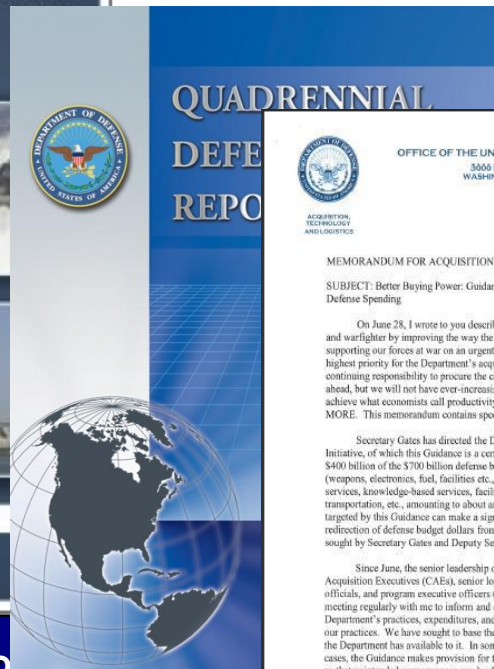
To authorize appropriations for fiscal year 2010 for military activities of the Department of Defense, for military construction and defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, to provide for special pays and allowances to members of the Armed Forces, to provide for the concurrent receipt of military retirement and VA disability benefits to disabled retirees, and for other purposes.

Weapon System Acquisition Reform Act (Public Law 111-243)

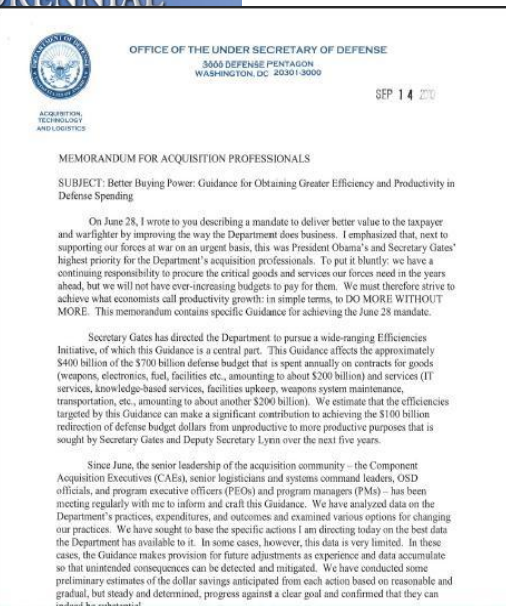
**Section 805
Life Cycle Management
And Product Support**



**DoD Product Support
Assessment Team (PSAT)
Report**



**DoD Quadrennial
Review**



DoD Better Buying Power



Enabling The Product Support Business Model



Robust policy, processes, guidance and tools to drive next generation product support

DTM 10-015

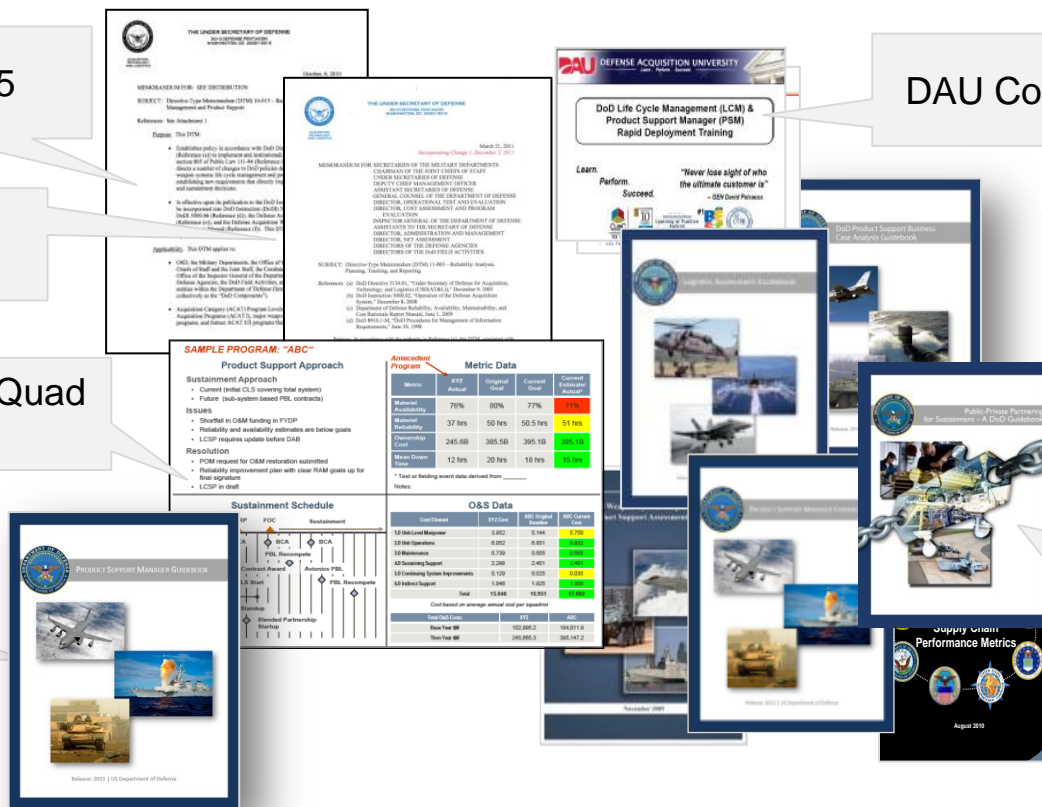
DTM 11-003

Sustainment Quad Chart

PSM Guidebook

DAU Course Updates

BCA Guidebook
LA Guidebook
LCSP Template
PPP Guidebook
IPSE Guidebook
JSCA Benchmark
O&S Cost Glossary
O&S Cost Mgt Guidebook (coming soon)

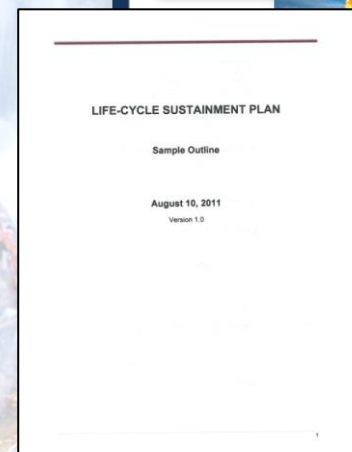
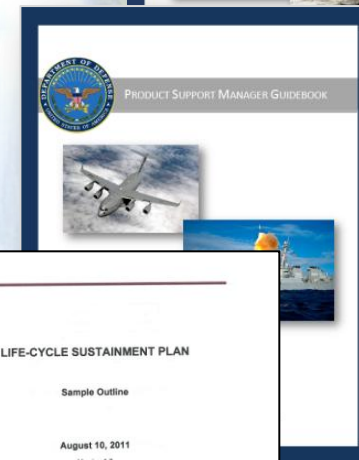




Developing and Delivering Effective and Affordable Product Support



- The O & S Cost Guide provides a standardized analytic method for assessing O&S costs including standardized cost terms and definitions.
- The Product Support BCA aids decision making process by comparing alternatives; examining benefits, risks, and sensitivities.
- The Product Support Manager's Guidebook develops the PSBM and provides guidance on how to develop and execute an effective and affordable product support strategy.
- The LCSP captures requirements, planning, and documentation that comprise the product support strategy





PM, PSM, PSI/PSP

Who are they and what they are supposed to do?



Affordably Deliver War Fighter Effectiveness



Program Manager

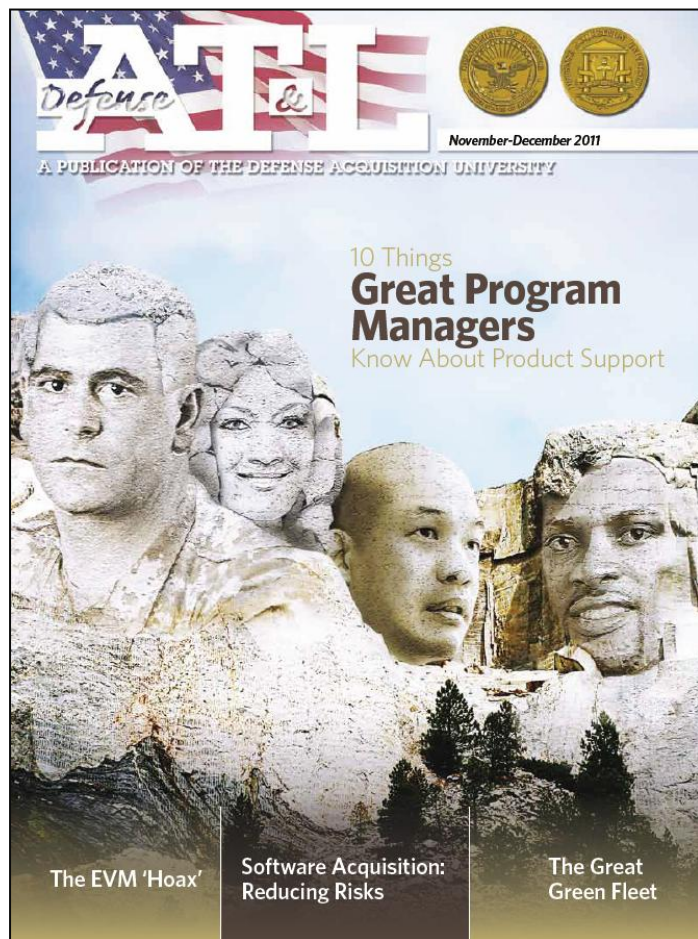
- “The PM shall be the single point of accountability for accomplishment of program objectives for total life cycle systems management, including sustainment” (DoDD 5000.01)
- “The PM, as the life-cycle manager, is responsible for accomplishing program objectives across the life cycle, including the Operations & Support (O&S) phase.” (DAG, ch. 5)
- “Life Cycle Management is the implementation, management, and oversight, by the designated Program Manager (PM), of all activities associated with the acquisition, development, production, fielding, sustainment, and disposal of a DOD system across its life cycle.” (JCIDS Operation Manual)



***PM Is Responsible For System Acquisition
And Follow-on Sustainment Objectives***



Ten Things ~~Great~~^{all should} PMs Know About Product Support



10. "I'm the life cycle manager (LCM): The product support buck stops with me."
9. The right Product Support Manager (PSM) is key. Demand excellence & accept nothing less.
8. Everything that really matters can be captured on a single page .
7. Design systems with supportability in mind.
6. Product support strategies must be iteratively crafted, revalidated, & documented.
5. Twelve new Integrated Product Support (IPS) elements provide the framework.
4. Obsolescence & DMSMS will eat your lunch (along with breakfast & dinner if not careful).
3. Performance Based Logistics (PBL) is a powerful force multiplier.
2. Maintenance planning and management is a big deal. So is supply chain management.
1. Acquisition and sustainment are ultimately two sides of the same coin.



Product Support Manager



- Develop and implement a comprehensive product support strategy
- Conduct appropriate cost analyses to validate the product support strategy (BCA)
- Assure achievement of desired product support outcomes through product support arrangements
- Optimize implementation of the product support strategy (i.e. balance war fighter effectiveness and affordability - PBL)
- Periodically review product support arrangements between PSIs and PSPs for consistency with the overall product support strategy
- Prior to changing the product support strategy or every five years, revalidate the BCA / product support strategy

PSM Is Responsible For The Development, Implementation, And Execution Of Life Cycle Sustainment Solution



Product Support Manager – Heavy Lifter



Tools of the Trade

- Business Case Analysis
- Performance Based Agreements
- Public Private Partnerships
- Life-Cycle Sustainment Plan



SUCCESSFULLY Structure And Execute A Performance Based Product Support Strategy



Product Support Integrator/Provider

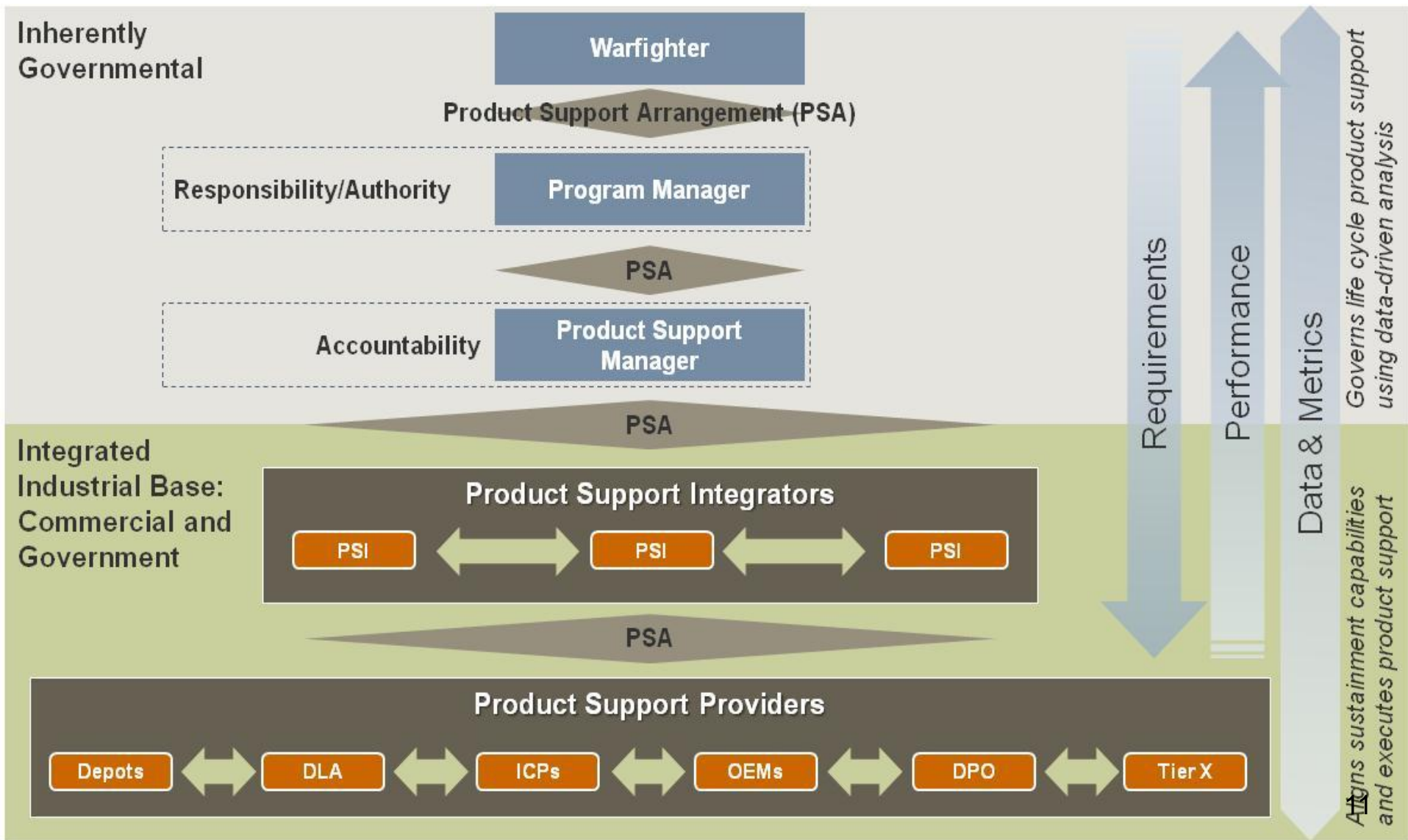


- PSI is responsible for the activities and output of one or more providers
 - May be within one product support element or across multiple elements
- May have more than one PSI as part of the support solution
 - PSI may manage other PSIs as well as PSPs
- PSI may also function as a PSP
- PSPs perform tasks or provide products within a product support element
- Perform consistent with statute and policy

***PSI/PSP Selection Is A Best Value Solution
Based On The Business Case Analysis***



Product Support Business Model





Link PS Strategy to Warfighter Outcomes



Start with the Warfighter requirements

- Materiel Availability
- Material Reliability
- O&S Cost
- Mean Down Time



Evaluate PS alternatives

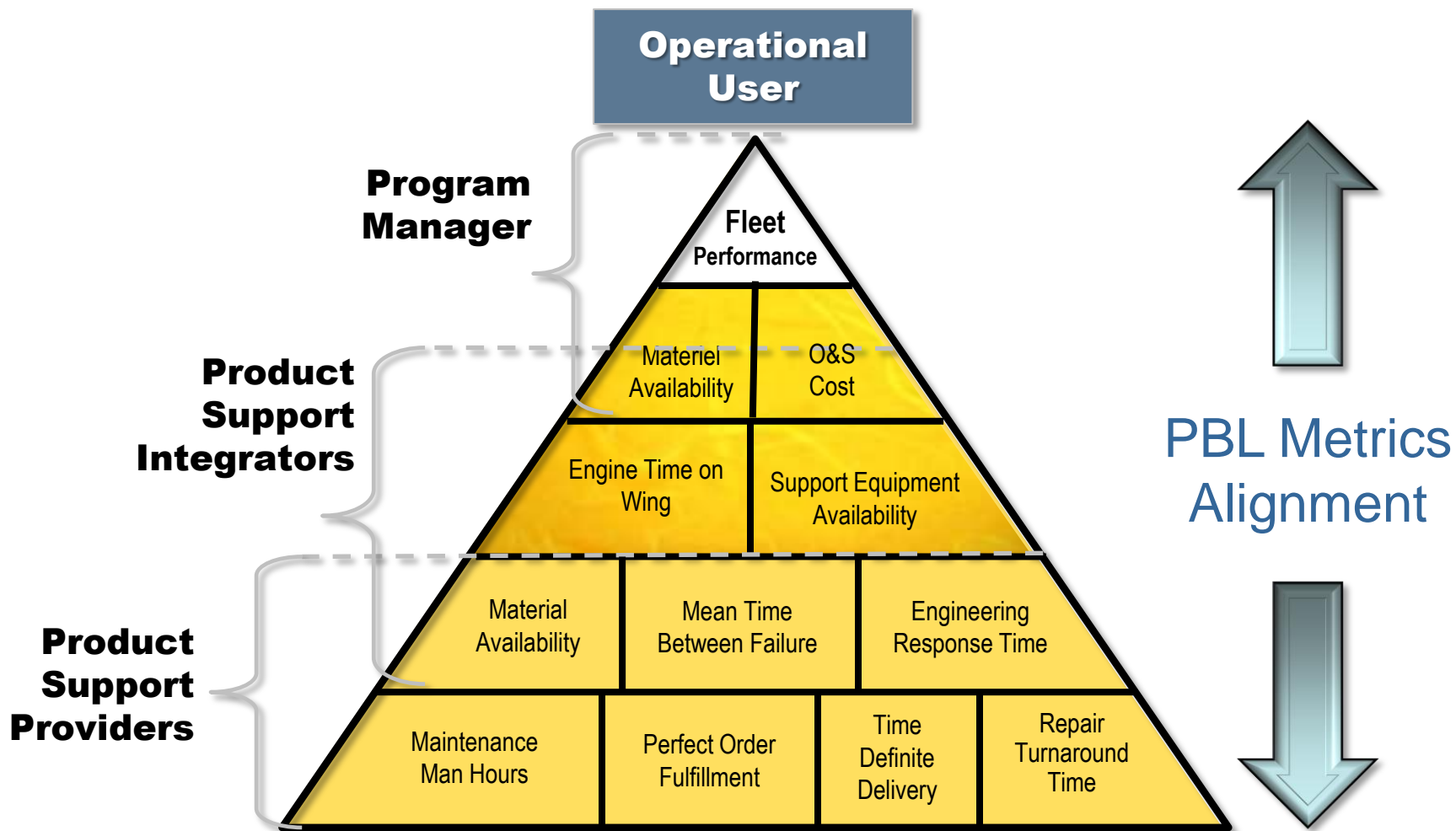
- O to D?
- Depot source of repair?
- Public private partnering?
- Basing strategy?
- R&M Growth?



***Work With The User To Document Performance And Sustainment Requirements
– Deliver Best Value Solution***



Metrics Align With Business Model





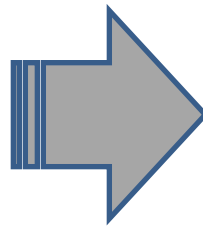
Integrated Relationships between Supply Chain Enterprise Metrics

Desired Supply Chain
Performance Attributes

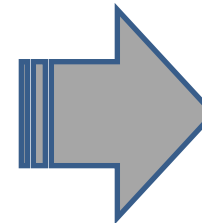
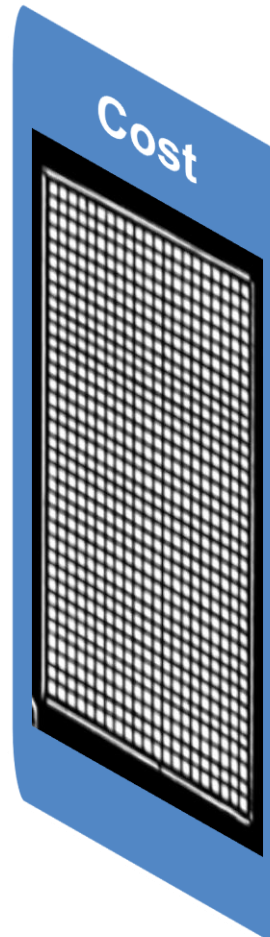
Planning & Precision

Reliability

Responsiveness



Primary Supply Chain
Constraint

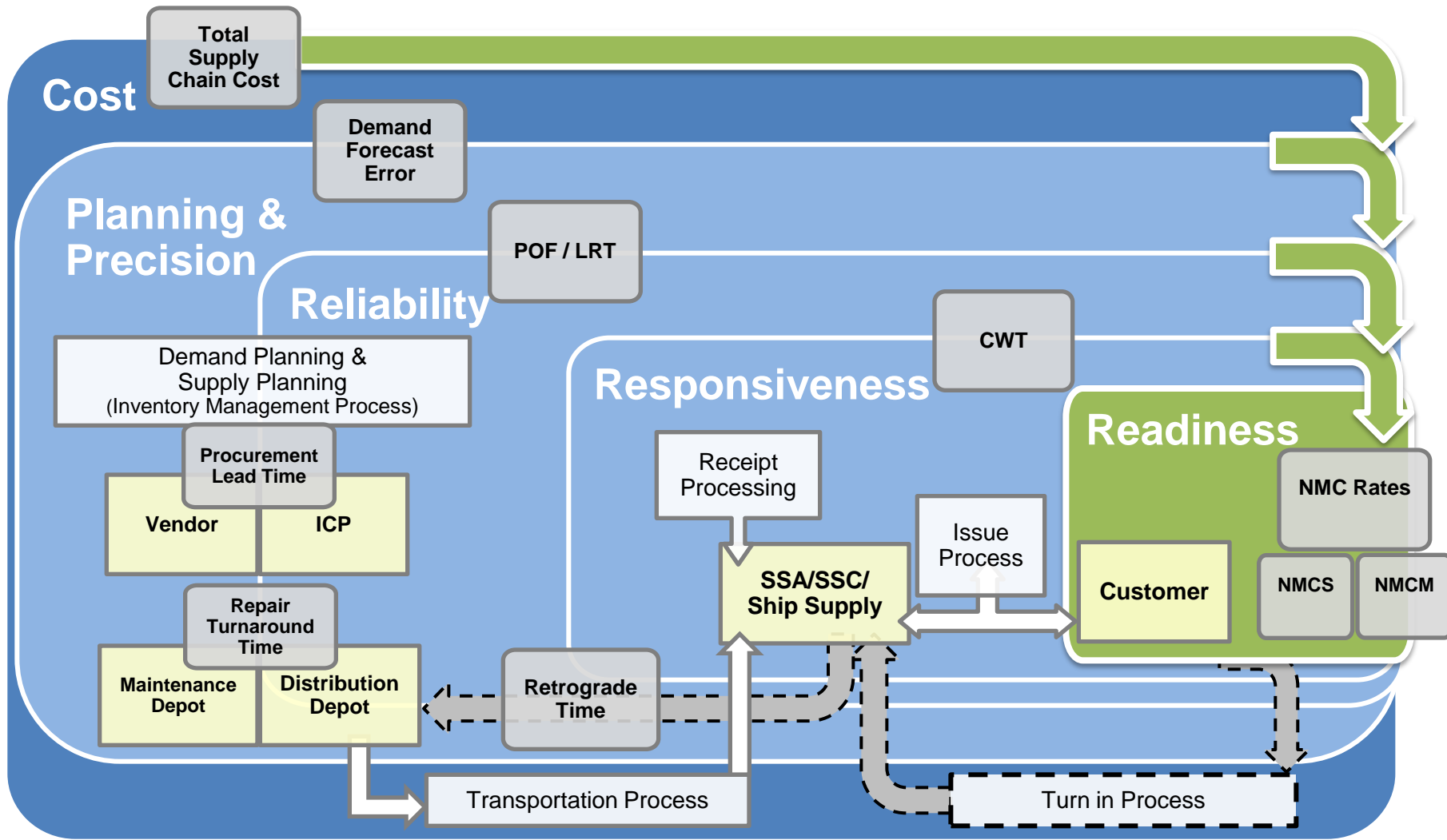


Targeted Customer
Outcomes

Readiness



Integrated Relationships between Core Supply Chain Enterprise Metrics (Cont.)



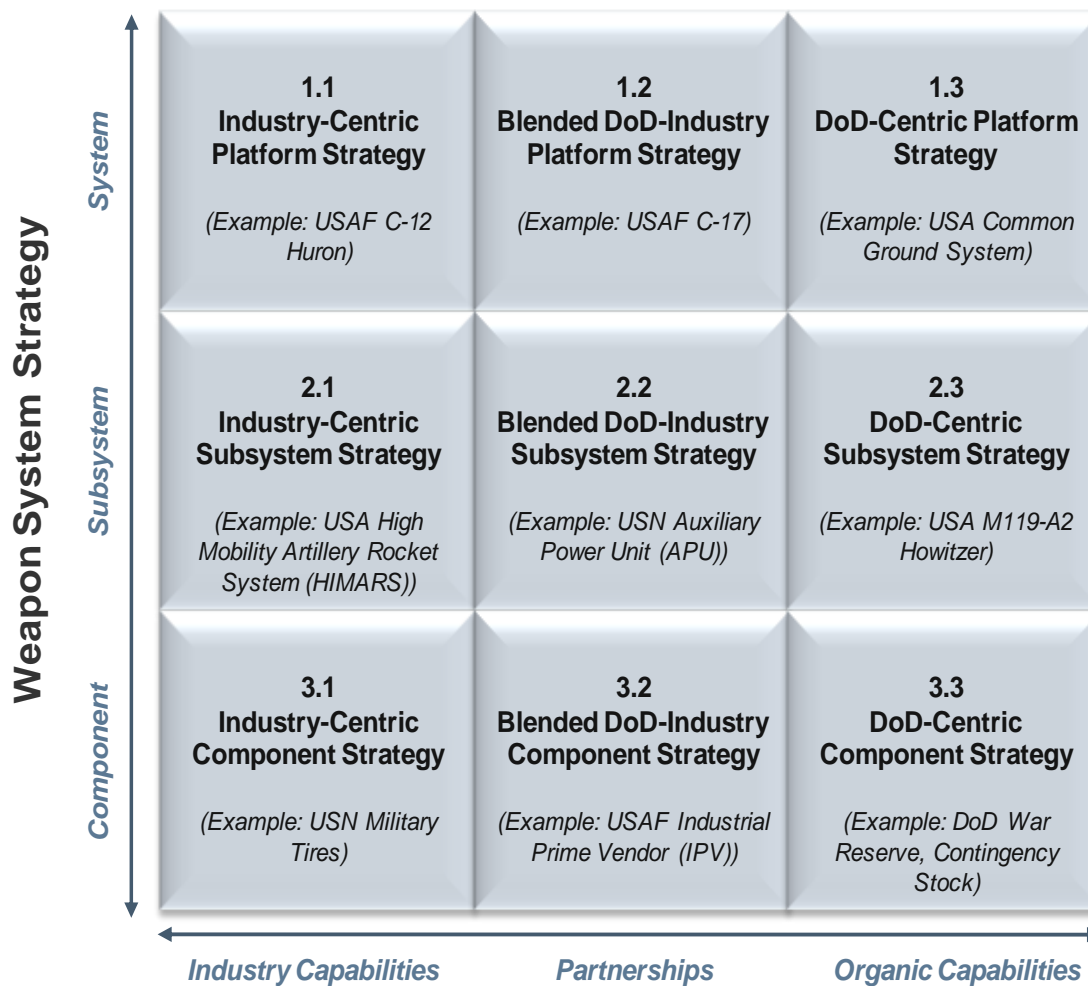
Key

Attributes Metrics Stakeholders Processes Outcome



Product Support Alternatives

- **Variety of combinations**
- **Will evolve over the life cycle**
- **Organic vs. commercial – not binary but a spectrum**





SUMMARY

PMs, PSMs, PSIs, and PSPs work together to:

- Create synergy – leverage strengths
- Create innovative solutions
- Work with industry partner
- Drive O&S costs down
- Drive up Operational Readiness



**Embrace Change And Work Together To Provide
Best Value Readiness To The Warfighter**



Questions?



***REMEMBER
PRODUCT SUPPORT IS A TEAM SPORT***



Product Support Policy, Guidance, & Tools Are Available Online

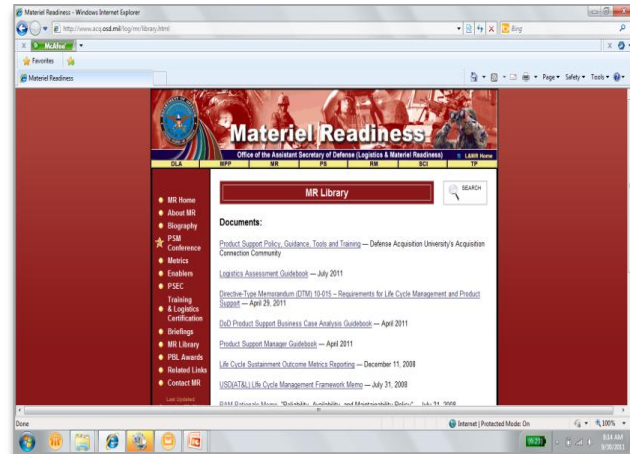
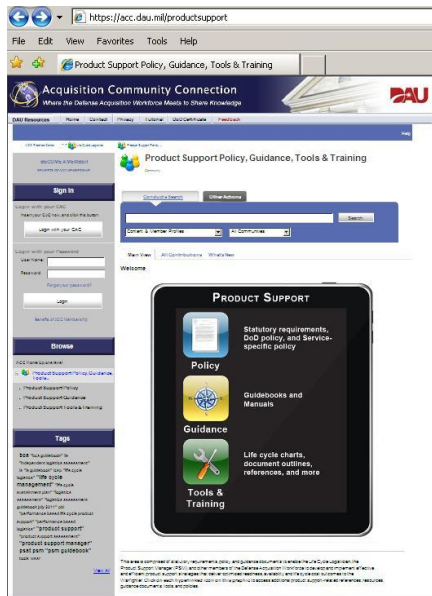
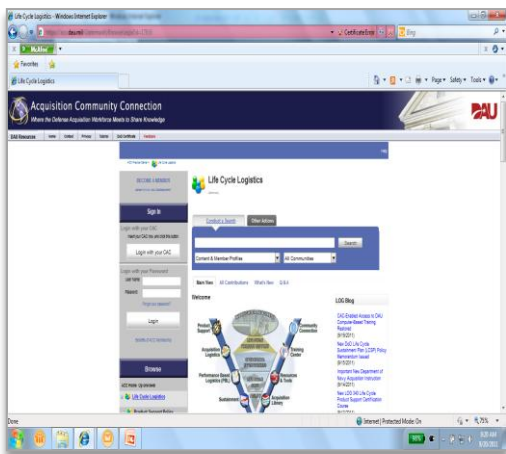


DAU Acquisition Community Connection

- <https://acc.dau.mil/log>
- <https://acc.dau.mil/productsupport>

DASD Materiel Readiness (MR) – MR Library

- <http://www.acq.osd.mil/log/mr/library.html>



Your Feedback Is Desired